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COUNTY OF SIERRA
SINGLE AUDIT REPORT
JUNE 30, 2009

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COUNTY OF SIERRA

Single Audit Report
For the Year Ended June 30, 2009

Table of Contents

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	3-5
Schedule of Expenditures of Federal Awards.....	6-8
Notes to Schedule of Expenditures of Federal Awards	9-10
Schedule of Findings and Questioned Costs.....	11-12
Schedule of Findings and Responses.....	13-20
Summary Schedule of Prior Year Audit Findings	21
Supplementary Schedule of the California Emergency Management Agency Grant Expenditures.....	22



GALLINA_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Supervisors
County of Sierra
Downieville, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sierra, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 15, 2010. We conducted our audit in accordance with auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Sierra's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Sierra's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Sierra's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as items 09-FS-1 and 09-FS-2 to be a significant deficiency in internal control over financial reporting.

Board of Supervisors
County of Sierra

Internal Control Over Financial Reporting (continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we consider the significant deficiency described above as items 09-FS-1 and 09-FS-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Sierra's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County of Sierra's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's response, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Roseville, California
February 15, 2010



GALLINA_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors
County of Sierra
Downieville, California

Compliance

We have audited the compliance of the County of Sierra, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County of Sierra's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Sierra's management. Our responsibility is to express an opinion on the County of Sierra's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Sierra's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Sierra's compliance with those requirements.

In our opinion, the County of Sierra complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-SA-1 and 09-SA-2.

Internal Control Over Compliance

The management of the County of Sierra is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants

Board of Supervisors
County of Sierra

Internal Control Over Compliance (continued)

applicable to federal programs. In planning and performing our audit, we considered the County of Sierra's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Sierra's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-FS-1, 09-SA-1, and 09-SA-2, to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirements of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 09-FS-1, 09-SA-1, and 09-SA-2 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2009, and have issued our report thereon dated February 15, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

Board of Supervisors
County of Sierra

Schedule of Expenditures of Federal Awards (continued)

financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

The Supplementary Schedule of the California Emergency Management Agency Grant Expenditures, beginning on page 22, has not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Roseville, California
February 15, 2010

COUNTY OF SIERRA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551	--	\$ 213,727
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	61,830
Subtotal			<u>275,557</u>
Passed through State Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	94,049
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	*	<u>816,275</u>
Total U.S. Department of Agriculture			<u>\$ 1,185,881</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	--	<u>202,707</u>
Total U.S. Department of the Interior			<u>\$ 202,707</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710	--	<u>102</u>
Passed through California Emergency Management Agency:			
Crime Victim Assistance	16.575	VW07130460	17,768
Edward Byrne Memorial Formula Grant Program	16.579	DC07170460	821
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC07170460	90,071
Subtotal			<u>108,660</u>
Total U.S. Department of Justice			<u>\$ 108,762</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS-5913(024)	146
Highway Planning and Construction	20.205	RPSTPLE-5913(034)	81,034
Highway Planning and Construction	20.205	RPSTPLE-5913(037)	32
Highway Planning and Construction	20.205	RPSTPLE-5913(038)	110,758
Highway Planning and Construction	20.205	BRLO-5913(009)	780
Total U.S. Department of Transportation			<u>\$ 192,750</u>

* Major Program

COUNTY OF SIERRA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>		<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through State Department of Social Services:				
Temporary Assistance for Needy Families	93.558	*	--	\$ 506,169
Promoting Safe and Stable Families	93.556		--	6,750
Child Welfare Services-State Grants	93.645		--	34,395
Foster Care-Title IV-E	93.658	*	--	339,434
Foster Care-Title IV-E-ARRA	93.658	*	--	3,817
Adoption Assistance	93.659		--	14,741
Social Services Block Grant	93.667		--	15,547
Chafee Foster Care Independence Program	93.674		--	19,532
Subtotal				<u>940,385</u>
Passed through State Department of Health Care Services:				
Children's Health Insurance Program	93.767		--	<u>4,144</u>
Passed through State Department of Public Health:				
Family Planning Services	93.217		--	40,861
National Bioterrorism Hospital Preparedness Program	93.889		--	99,817
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		--	3,000
Maternal and Child Health Services Block Grant to the States	93.994		--	17,311
Children's Health and Disability Prevention	93.994		--	23,739
Bioterrorism Training and Curriculum Development Program	93.996		--	98,500
Subtotal				<u>283,228</u>
Passed through the State Department of Mental Health:				
Block Grants for Community Mental Health Services	93.958		--	<u>49,654</u>
Passed through State Department of Alcohol and Drug Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	*	--	<u>306,677</u>
Total U.S. Department of Health and Human Services				<u>\$ 1,584,088</u>
<u>U.S. Department of Homeland Security</u>				
Passed through California Department of Homeland Security:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			<u>204,452</u>

COUNTY OF SIERRA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Homeland Security (continued)			
Passed through California Emergency Management Agency:			
State Homeland Security Program (SHSP)	97.073		\$ 58,291
Law Enforcement Terrorism Prevention Program (LETPP)	97.074		52,543
Emergency Management Performance Grants	97.042	2006-0008	34,643
Subtotal			<u>145,477</u>
Total U.S. Department of Homeland Security			<u>\$ 349,929</u>
Total Expenditures of Federal Awards			<u>\$ 3,624,117</u>

COUNTY OF SIERRA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Sierra. The County of Sierra's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on an accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Program Clusters**

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Food Stamp Cluster:</u>		
10.551	Food Stamps	\$ 213,727
10.561	State Administrative Matching Grants for Food Stamp Program	<u>61,830</u>
TOTAL		<u>\$ 275,557</u>

COUNTY OF SIERRA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Note 4: **Program Clusters (continued)**

Homeland Security Cluster:

97.073	State Homeland Security Program	\$ 58,291
97.074	Law Enforcement Terrorism Prevention Program	<u>52,543</u>
	TOTAL	<u>\$ 110,834</u>

Note 5: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

COUNTY OF SIERRA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

Section 1

Financial Statements

Summary of Auditor's Results

- | | | |
|----|--|-------------|
| 1. | Type of auditor's report issued: | Unqualified |
| 2. | Internal controls over financial reporting: | |
| a. | Material weaknesses identified? | Yes |
| b. | Significant deficiencies identified not
considered to be material weaknesses? | Yes |
| 3. | Noncompliance material to financial statements
noted? | No |

Federal Awards

- | | | |
|----|--|-------------|
| 1. | Internal control over major programs: | |
| a. | Material weaknesses identified? | Yes |
| b. | Significant deficiencies identified not
considered to be material weaknesses? | Yes |
| 2. | Type of auditor's report issued on compliance
for major programs: | Unqualified |
| 3. | Any audit findings disclosed that are required
to be reported in accordance with Circular
OMB A-133, Section 510(a)? | Yes |

4. Identification of major programs:

CFDA Number

Name of Federal Program

10.665	Schools and Roads – Grants to States
93.558	Temporary Assistance for Needy Families
93.658	Foster Care Title IV-E
93.959	Block Grants for Prevention and Treatment of Substance Abuse

- | | | |
|----|---|------------|
| 5. | Dollar threshold used to distinguish
Between Type A and Type B programs? | \$ 300,000 |
| 6. | Auditee qualified as a low-risk auditee under
OMB Circular A-133, Section 530? | No |

COUNTY OF SIERRA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

Section 2

Financial Statement Findings

Preparation of Schedule of Expenditure of Federal Awards	09-FS-1
Accounts Receivable	09-FS-2

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.558	09-SA-01
CFDA 93.658	09-SA-02

COUNTY OF SIERRA

Schedule of Findings and Responses Financial Statement Findings For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-FS-1	<i>Financial Statement and SEFA Preparation Reporting Requirement: Material Weakness</i>
Preparation of the Schedule of Expenditures of Federal Awards	<p><u>Criteria</u></p> <p>OMB Circular A-133 § 310(b) provides that auditees undergoing a federal single audit prepare a Schedule of Expenditures of Federal Awards (SEFA) listing individual programs by federal agency and Catalog of Federal Domestic Assistance (CFDA) number. Statement on Auditing Standard No. 112, <i>Communicating Internal Control Related Matters Identified in a Audit</i> (SAS 112), was recently issued and applies to the County's current year fiscal audit. The standard provides guidance in that if an entity is unable to draft its own financial statements, which include the SEFA, there may be a material weakness or significant deficiency.</p> <p>The County must have proper internal controls over financial reporting in place. Proper internal controls over financial reporting include, but are not limited to, internal controls that identify misstatements in the SEFA, retaining staff competent in SEFA reporting and related oversight roles, and adequate design of internal control over the preparation of the SEFA. Good internal controls and Circular A-133 require the County to do a reconciliation between the expenditures reported on the general ledger and the federal expenditures reported on the SEFA.</p> <p><u>Condition</u></p> <p>In the process of reviewing the SEFA, we noted that several program federal expenditures amounts had not been reconciled to the general ledger.</p> <p><u>Effect of Condition</u></p> <p>Undetected omission of federal expenditures from the SEFA could lead to action by federal and state grantor agencies, and may result in additional audit costs if the omitted information leads to changes in audit requirements.</p>

COUNTY OF SIERRA

Schedule of Findings and Responses Financial Statement Findings For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-FS-1 (continued) Preparation of the Schedule of Expenditures of Federal Awards	<u>Recommendation</u> We recommend that the County conduct a training session with Department fiscal staff on SEFA preparation, and that a reconciliation between the general ledger and the federal expenditure number for each program be required from Departments. We further recommend that the procedures require that a person in the Auditor Controller's Office review these reconciliations on a test basis, to determine that they are in fact complete and accurate. <u>Management Response</u> The County Auditor's Office will conduct trainings on preparation of a proper reconciliation of all grant or federal award programs to the County general ledger with each claim made, or at least quarterly, for every program. The reconciliation shall include a full description of the program, federal agency, and CFDA number. These reconciliations shall be turned in to the Auditor's Office for review. The Auditor-Controller at 530.289.3273 is the contact person.

COUNTY OF SIERRA

Schedule of Findings and Responses Financial Statement Findings For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-FS-2	<i>Accounts Receivable</i> <i>Reporting Requirement: Material Weakness</i>
Accounts Receivable	<u>Criteria</u> During its year end closing process, the County should establish and enforce policies and procedures to ensure that year end accruals are properly identified and recorded for all account balances, including revenues and receivables. <u>Condition</u> During the audit, we noted material receivables in the Road Fund, Human Services, and COPS Fund that should have been accrued and were not. The total amount of the related audit adjustment was \$282,420. <u>Effect of Condition</u> By not properly accounting for accruable revenues in the current fiscal year, the County is significantly understating its accounts receivable at the end of the year. <u>Recommendation</u> We recommend that the County enforce its policy that all accruable revenues be submitted in a timely manner to the Auditor-Controller's Office for revenue recognition purposes. By enforcing its policy, the County will improve its year end closing process for identifying the appropriate year end accruals and reduce the risk of material misstatement in their annual financial statements.

COUNTY OF SIERRA

Schedule of Findings and Responses Financial Statement Findings For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-FS-2 (continued)	<u>Management Response</u>
Accounts Receivable	<p>The Auditor concurs with the finding. The Auditor's office will conduct training with the departments on identifying receivables. All claims for funding that have not been received at June 30 shall be given to the Auditor for booking prior to August 30 of each year. All revenues received prior to the audit that was not anticipated but is for the prior year shall be noted on the Deposit Permit by the Department and highlighted.</p>

The Auditor-Controller at 530.289.3273 is the contact person.

COUNTY OF SIERRA

Schedule of Findings and Responses Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-1	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Temporary	<i>Pass-Through Entity: State Department of Social Services</i>
Assistance for	<i>Compliance Requirement: Eligibility/Special Tests (IEVS)</i>
Needy Families	<i>Reporting Requirement: Material Weakness and Material</i>
(TANF)	<i>Noncompliance in Relation to a</i>
CFDA 93.558	<i>Compliance Supplement Audit Objective</i>

Award No. n/a
Year: 2008/2009

Criteria

As required by § 1137 of the Social Security Act, income and benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility or level of assistance, benefits or services.

Condition

We tested 29 cases and noted that three were missing the IEVS required to be kept in the case file. We also noted 3 cases where the IEVS had not been signed and dated by the Eligibility Worker.

Questioned Costs

We question no costs.

Perspective

We noted that the IEVS were missing or had not been signed and dated by the Eligibility Worker for 13 individuals. In the 29 cases tested, we tested 61 individuals to determine if they had current IEVS. The error rate in the sample was therefore $13 / 61 = 21.31\%$.

COUNTY OF SIERRA

Schedule of Findings and Responses Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-1 (continued)	<u>Effect of Condition</u> The IEVS system is an elaborate, federally-mandated system which compiles government information for the purpose of tracking federal program eligibility data. Not requesting and using IEVS in eligibility determination can result in individuals receiving benefits to which they are not entitled.
Temporary Assistance for Needy Families (TANF) CFDA 93.558	<u>Recommendation</u> We recommend improved supervisory review of the presence of an IEVS for all aided members in the case file and the signature of the eligibility worker denoting that the IEVS has been used in eligibility determination.
	<u>Corrective Action Plan</u> All new applications and re-applications for the TANF program will be reviewed by the supervisor prior to benefit issuance. Any cases with missing or un-signed IEVS will be returned to the eligibility worker for completion. In the event that emergency services are requested by the client and IEVS is not available within the mandated time frames for issuance or IEVS system interruptions exists, the case will be authorized without an IEVS report present and follow up actions will be taken by both eligibility worker and eligibility supervisor.
	The Integrated Casework Supervisor at 530.993.6725 is the contact person.

COUNTY OF SIERRA

Schedule of Findings and Responses Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-2	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Foster Care	<i>Pass-Through Entity: State Department of Social Services</i>
Title IV-E	<i>Compliance Requirement: Eligibility</i>
CFDA 93.658	<i>Reporting Requirement: Material Weakness and Material Noncompliance in Relation to a Compliance Supplement Audit Objective</i>
Award No. n/a	
Year: 2008/2009	<u>Criteria</u>
	<p>A child must meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program, that is, meeting the State established standard of need as of July 16, 1996, prior to enactment of the Personal Responsibility and Work Opportunity Reconciliation Act. (42 USC 672(a)).</p>
	<u>Condition</u>
	<p>We tested eligibility in 12 Foster Care cases. One case was missing the required documentation to support AFDC eligibility needed prior to placing the children in the foster family homes.</p>
	<u>Questioned Costs</u>
	<p>No costs are questioned because we were able to determine that each of these cases were eligible for federal funding based on alternate documents.</p>
	<u>Perspective</u>
	<p>It appears that the County neglected to receive and/or review satisfactory AFDC eligibility requirements for children living in foster family homes prior to placing the children in these foster family homes. The error rate for the sample was $1 / 12 = 8.33\%$.</p>
	<u>Effect of the Condition</u>
	<p>Without appropriate documentation, the County could be placing children in foster family homes or child-care institutions and using federal funds when all eligibility requirements for federal funds have not been satisfied.</p>

COUNTY OF SIERRA

Schedule of Findings and Responses Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-2 (continued)	<u>Recommendation</u> We recommend the County review its internal controls for County employees to track and review eligibility records to ensure that all children living in foster family homes have satisfactorily met AFDC eligibility requirements prior to placing the children in foster family homes. We suggest that no case be approved for federal Foster Care without the required AFDC eligibility documents in the file.
Foster Care Title IV-E CFDA 93.658	<u>Corrective Action Plan</u> An intake foster care checklist is being developed and the FC3 form is included on that list. The eligibility supervisor will review all new Foster Care cases prior to benefit issuance and assure that the FC3 is present. If the FC3 is missing the case will be returned to the eligibility worker and benefits will not be issued until the FC3 is present. The Integrated Casework Supervisor at 530.993.6725 is the contact person.

COUNTY OF SIERRA

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009**

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
N/A	None Reported

**SUPPLEMENTARY SCHEDULE
OF
THE OFFICE OF EMERGENCY SERVICES
GRANT EXPENDITURES**

COUNTY OF SIERRA

Supplementary Schedule of the California Emergency Management Agency Grant Expenditures For the Year Ended June 30, 2009

California Emergency Management Agency

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2009. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Year Ended June 30, 2008	For the Year Ended June 30, 2009	Cumulative As of June 30, 2009	Federal Share	State Share	County Share
VW08140460 - Victim Witness Assistance Program						
Personal services	\$ 57,809	\$ 47,210	\$ 105,019	\$ 17,768	\$ 29,442	\$ --
Operating expenses	15,500	2,964	18,464	--	2,964	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 73,309</u>	<u>\$ 50,174</u>	<u>\$ 123,483</u>	<u>\$ 17,768</u>	<u>\$ 32,406</u>	<u>\$ --</u>
DC08180460 - Anti-Drug Abuse Enforcement Program						
Personal services	\$ 67,316	\$ 13,796	\$ 81,112	\$ --	\$ 13,796	\$ --
Operating expenses	3,922	52,644	56,566	--	52,644	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 71,238</u>	<u>\$ 66,440</u>	<u>\$ 137,678</u>	<u>\$ --</u>	<u>\$ 66,440</u>	<u>\$ --</u>